

# Exhibit A

02-10-11\_Deposition\_of\_David\_Lynett(ascii)  
9 recall specifically how we got that. Amy and  
10 Scott did that directly together, getting that  
11 information.

12 Q Did anyone acting on behalf of CUMIS have any  
13 discussions with Fannie Mae concerning any of the  
14 claims made by any credit union, concerning losses  
15 caused by CU National?

16 A Other than Amy having contact with Fannie Mae  
17 counsel, I don't know of any other direct contact.

18 Q What was the purpose of Amy having communications  
19 with Fannie Mae?

20 A We were trying to learn how the loss happened.

21 Q What facts did you learn from conversations with  
22 Fannie Mae concerning how the losses happened?

23 A Well, we found out their position was they were a  
24 holder in due course on the mortgages.

25 Q Anything else?

00054

1 A At some point, we got access to what they referred  
2 to as the vault that had documents, the transfer  
3 documents. I think in some cases that's where the  
4 original mortgages were.

5 Q And did someone review those mortgages?

6 A In the -- in the cases where we had the credit  
7 union's permission to look at that credit union's  
8 documents, we would look at them.

9 Q Does that include Suffolk?

10 A I don't remember -- I don't believe they gave us  
11 access to theirs. Again, that was due to the  
12 conversation about putting the claim investigation  
13 on the back burner.

14 Q What information did you learn from the review of  
15 the mortgage documents from the vault?

16 A How they were transferred.

17 Q How did that happen?

18 A what -- typically, what we found was that if it  
19 was a loan that was authorized to be sold, there  
20 was a variation of the way that was accomplished.

21 Some had a general standing  
22 agreement of how it would be transferred; in some  
23 cases, credit union employees from their internal  
24 lending department would sign the documents; in  
25 some cases, CU National personnel would sign for

00055

1 them.

2 In the cases where loans were  
3 transferred or sold without authority, we found  
4 that either Michael McGrath or one of his close  
5 associates signed those documents representing  
6 themselves to be credit union employees.

7 Q Who were the close associates?

8 A I remember Ron Carty. I don't remember any other  
9 specific names.

10 Q Did you ever come to learn how loans -- Suffolk's  
11 loans were authorized to be sold?

12 A I don't remember specifically what their process  
13 was.

14 Q Did you or anyone else at CUMIS ever seek to  
15 determine what documents McGrath created in order  
16 to avoid detection by Suffolk?

17 A I know that he was creating the monthly summaries  
18 that would be provided for. In other words, he  
19 had to do a two-track. Once Fannie owned a loan

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20           they weren't supposed to own, he had to do an  
21           accounting record for both Fannie and the credit  
22           union.

23           Q    Did you ever -- do you have any understanding of  
24           whether one of those accountings was inaccurate in  
25           any way?

00056       1    A    I don't have any information to suggest it wasn't  
2            accurate as to the loans that it referred to.

3           Q    Have you ever heard the term "trial balance"?

4           A    Yes.

5           Q    Do you know whether McGrath ever submitted to  
6            Suffolk any trial balances that showed that loans  
7            that were actually sold to Fannie Mae were still  
8            in Suffolk's loan portfolio?

9           A    It's my understanding that he would create, like I  
10           said, a dual set. So there --

11           Q    And the set that was sent to Suffolk was a set  
12           that showed that loans that were actually  
13           not -- strike that.

14                   And the set that was sent to  
15            Suffolk showed loans in Suffolk's portfolio that  
16            were actually already sold to Fannie Mae?

17                   MR. DAVISSON: Object to the form. You  
18                   can answer.

19                   BY THE WITNESS:

20           A    Eventually, that's what we learned, is that there  
21            were loans that were sold that were not authorized  
22            to be sold.

23                   BY MS. BRANKOV:

24           Q    And were those loans reflected on the trial  
25            balances?

00057       1    A    I assume they were. I don't remember  
2            specifically.

3           Q    Do you know if any of the documents McGrath sent  
4            to Suffolk were false and misleading in an effort  
5            to hide the fraud that he had and was  
6            perpetrating?

7                   MR. DAVISSON: Object to the form.

8                   BY THE WITNESS:

9           A    The only documents I'm personally aware of that  
10           they got that were -- I mean, if you're sending a  
11           trial balance to Suffolk and a trial balance for  
12           the same loans to Fannie Mae, one could conclude  
13           that that was misleading.

14                   BY MS. BRANKOV:

15           Q    Did CUMIS ever consider whether McGrath used his  
16           position as Suffolk's servicing contractor to  
17           conceal the unauthorized sale of the 189 loans to  
18           Fannie Mae?

19                   MR. DAVISSON: Object to the form.

20                   BY THE WITNESS:

21           A    Use his position? I guess I don't understand what  
22           that -- what you're asking me.

23                   MS. BRANKOV: Strike that. I'll go back  
24                   to it.

00058       1    BY MS. BRANKOV:

2           Q    Do you know if there was anything that CUMIS did  
3           to investigate Suffolk's claim that was not done  
4           to investigate any of the other claims by the